

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Cooperation Department – RESCOs – The Kuppam Rural Electric Cooperative Society Limited, Kuppam Chittoor District- Exemption of the society from the operation Subsidiary Byelaws U/s (C) by virtue of powers vested in Government U/s 123 of APCS Act, 1964- Orders –Issued.

AGRICULTURE & COOPERATION (COOP.1)DEPARTMENT

G.O.Rt.No. 227

Dated: 28- 02-2012

Read the following:-

From the CC&RCS, AP, Hyderabad Lr Rc. No. 11638/2010 RESCO,
dt: 26-10-2010



ORDER :

In the reference read above, the Commissioner for Cooperation & Registrar of Cooperative Societies, AP, Hyderabad has stated that the Chairman of the Kuppam Rural Electric Cooperative Society, Kuppam, Chittoor District Ltd., has requested to consider the exemption to the society from the operation of Section 116© by Virtue of Powers vested under Section 123 of A..P.C.S. Act 1964. The society is prompt in payment of Principal of loans and interest within the schedule dates and is having 83.00 consumers of all categories. The Society has achieved 100% of its targets of electrification of all villages and hamlets and repaid the entire Share Capital of Rs. 45.00 lakhs sanctioned by the Government.

2. The Commissioner for Cooperation & Registrar of Cooperative Societies, AP, Hyderabad has further stated that the Chairman has also submitted that the society is implementing the salaries and other Statutory benefits to the employees of the society on par with A.P. TRANSCO employees DISCOMs since its inception. The permanent employees are within the sanctioned strength. During the course of audit, the Departmental Auditors are raising objection on the expenditure for exceeding the permissible limit of 2% on working capital and 30% of gross profits stipulated under Section 116 © of APCS Act of 1964 as amended in 2002. The society's expenditure on establishment is exceeding the norms prescribed under Section 116 © of the APCS Act, 1964 since the salary structure of the employees of the society is on par with the DISCOMs. The Society acquired capital assets to a tune of Rs. 4350.00 lakhs of its own as on 31-3-2010 and is functioning on profit basis though there are no H.T. services and there is an amount of Rs. 550.21 lakhs on disbursed profits up to 2008-09.

3. The Commissioner for Cooperation & Registrar of Cooperative Societies, AP, Hyderabad has further stated that the posts and pay scales are based on the existing norms approved for A.P. TRANSCO and essentially required by the society to provide quality services to its members and the society is exceeding the norms on both the counts i.e., Gross Profit and working Capital but is financially sound and adoption of Pay Scales of TRANSCO could be the reason for this higher salary commitment. However, APERC is approving the scales every year at the time of submission of Annual Revenue Requirement (ARR) for fixation of tariff.

4. The Commissioner for Cooperation & Registrar of Cooperative Societies, AP, Hyderabad has therefore requested to exempt the Kuppam Rural Electric Cooperative Society, Kuppam, Chittoor District from the Provisions of Section 116 © of the A.P.C.S. Act, 1964 for a period of five (5) years from 2007-2008 to 2011 -12.

5. In the circumstances stated above, Government after careful examination of the matter and by virtue of powers conferred under Section 123 of the A.P.C.S. Act, 1964, hereby exempt the Kuppam Rural Electric Cooperative

(P.T.O.)

Society Limited, Kuppam Chittoor District, from the provisions of the Section 116 (C) of the APCS Act, 1964 for a period of five (5) years from 2007-2008 to 2011 -2012.

The Commissioner for Cooperation & Registrar of Cooperative Societies, AP, Hyderabad is requested to take further necessary action the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**I.Y.R. KRISHNA RAO
PRINCIPAL SECRETARY TO GOVERNMENT**

To
The Commissioner for Cooperation &
Registrar of Cooperative Societies,
AP, Hyderabad
The Chariman, the Kuppam Rural Electric Cooperative Society,
Kuppam, Chittoor District
The District Collector, Chittoor
The Divisional Cooperative Officer, Chittoor
SF/SC

// FORWARDED BY ORDER //

SECTION OFFICER